

## HIAP HUAT HOLDINGS BERHAD ("HHH" OR "THE COMPANY")

### PROPOSED DISPOSAL OF ONE (1) UNIT OF FACTORY BY HIAP HUAT CHEMICALS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, FOR A TOTAL CASH CONSIDERATION OF RM11,760,000.00

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#### 1. DETAILS OF THE PROPOSED DISPOSAL

The Board of Directors of HHH ("Board") is pleased to announce that Hiap Huat Chemicals Sdn Bhd ("HHC" or "the Vendor"), a wholly-owned subsidiary of the Company has on 22 December 2014 entered into a Sale and Purchase Agreement ("SPA") with Everise Frozen Foods Sdn Bhd ("the Purchaser") for the disposal of one (1) unit of factory bearing postal address No. 46, Jalan E 1/2, Taman Ehsan Industrial Park, 52100 Kepong, Selangor measuring approximately 4,618.673 square metres in area and held under leasehold individual title H.S.(M) 22259, PT 8440, Batu 8 Jalan Kepong, Bandar Kepong, District of Gombak, State of Selangor ("the Property") for a total cash consideration of RM11,760,000.00 ("Sale Consideration") ("Proposed Disposal").

#### 2. INFORMATION ON THE PROPOSED DISPOSAL

##### 2.1 Information on Purchaser

The Purchaser is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 18 December 2003 under its current name of Everise Frozen Foods Sdn Bhd. The principal business of the Purchaser is supplying and trading of fresh or frozen beef foods.

As at 9 December 2014 the authorised share capital of the Purchaser is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each while the issued and paid-up capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

The directors and shareholders of the Purchaser as at 9 December 2014 are as follows:

<b>Directors and Shareholders</b>	<b>No. of shares</b>	<b>% of issued and paid-up share capital</b>
Lim Chew Im	1,000,000	50%
Heng Chuan Seng	1,000,000	50%

##### 2.2 Details of the Properties

The Property comprises a single storey detached factory annexed with a 3 storey office building and other ancillary buildings erected on a detached industrial lot having land area of approximately 4,618.673 square metres. The Property is currently utilised as the corporate office of HHH and its subsidiaries ("HHH Group"). Upon the completion of the Proposed Disposal, the corporate office of the Company will be reallocated to an office premises to be acquired at an on-going development project known as "Sunway Nexis Soho" as first announced by the Company on 10 May 2013. The vacant possession for the new office is expected to be handed over by 5 January 2015 and the HHH Group expects to move in by 20 March 2015.

The Property is located on a piece of leasehold land held under leasehold individual title H.S.(M) 22259, PT 8440, Batu 8 Jalan Kepong, Bandar Kepong, District of Gombak, State of Selangor and bearing the postal address known as No. 46, Jalan E 1/2, Taman Ehsan Industrial Park, 52100 Kepong, Selangor.

Further details of the Property are as follows:

- (a) Tenure : 99 years leasehold land expiring on 9 July 2078
- (b) Total land area : 4,618.673 square metres
- (c) Approximate age of the office and factory building : 3 years
- (d) Gross floor area of the office and factory building : 1,746.50 square metres
- (e) Registered owner : HHC
- (f) Encumbrance : Charged to Alliance Bank Malaysia Berhad vide Presentation No. 008 dated 8 Jun 2007, Presentation No. 023 dated 13 March 2009 and Presentation No. 029 dated 11 October 2012.
- (g) Market value<sup>(1)</sup> : RM11.0 million
- (h) Net book value as at 31 December 2013 (audited) : RM4.45 million
- (i) Original cost : RM5.15 million

*Note :*

(1) Based on the valuation undertaken by Knight Frank Malaysia Sdn Bhd (“Valuer”) as at 17 November 2014.

### **2.3 Basis of determining the Sale Consideration**

The Sale Consideration of RM11,760,000.00 was arrived at on a willing buyer and willing seller basis based on the negotiation between the Purchaser and HHH and after taking into consideration the market value of the Property of RM11 million as appraised by the Valuer as at 17 November 2014.

The valuation for the Property was carried out by using the comparison and cost method.

### **2.4 Salient Terms of the SPA**

*The words and abbreviations used throughout this section of the Announcement shall have the same meaning as defined in the SPA unless the context otherwise requires or defined herein.*

#### **2.4.1 Consideration and Sale Consideration**

The Sale Consideration of RM11,760,000.00 only shall be paid by the Purchaser in the following manner and priority:-

- i) Simultaneously with the execution of the SPA, the Purchaser shall pay to the Vendor a sum of RM940,800.00 only (hereinafter referred to as "*the Partial Deposit Sum*") and RM235,200.00 only (hereinafter referred to as "*the Retention Sum*") to be held by the Purchaser's Solicitors as stakeholder for the purpose of payment of the real property gains tax (and the Partial Deposit together with the Retention Sum shall hereinafter be collectively referred to as "*the Deposit*").
- ii) The balance sum of RM10,584,000.00 only (hereinafter referred to as "*the Balance Purchase Price*") shall be paid to the Vendor's Solicitors as stakeholders in the manner stated below.

#### **2.4.2 Payment of Balance of Purchase Price**

- i) The Balance Purchase Price shall be paid by the Purchaser or the Financier to the Vendor's Solicitors as stakeholders within ninety (90) days commencing from the Unconditional Date in the manner provided in Clause 2.4.3 below (hereinafter referred to as "*the Completion Date*").
- ii) In the event that the Purchaser fails to pay the Balance Purchase Price on or before the Completion Date, the Vendor shall automatically grant an extension of time of thirty (30) days to the Purchaser to complete the sale of the Property (hereinafter referred to as "*the Extended Completion Date*") provided that the Purchaser shall pay to the Vendor interest at the rate of eight percent (8%) per annum on the unpaid Balance Purchase Price to be calculated on a daily basis commencing from the first day after the Completion Date until full payment of the unpaid Balance Purchase Price.
- iii) In the event the Purchaser is applying for a loan from a bank or financial institution (hereinafter referred to as "*the Financier*") to complete the purchase herein, the Vendor's Solicitors are hereby expressly authorized to release the said Transfer and the Title to the Purchaser's Financier's Solicitors to effect the registration of the said Property only Provided That:-
  - (a) the Vendor or Vendor's Solicitors has received a Letter of Undertaking from the Financier which shall not contain any terms which will in any way adversely affect the rights of the Vendor from the Purchaser's Financier to release the loan sum to the Vendor or Vendor's Solicitors upon presentation of the said Transfer in favour of the Purchaser and the Charge in favour of the Financier; and
  - (b) the difference between the Balance Purchase Price and the loan sum (hereinafter referred to as "*the Differential Sum*") has been deposited with the Vendor's Solicitors.

AND PROVIDED FURTHER THAT the loan sum shall be paid on the Completion Date or Extended Completion Date, as the case maybe.

- iv) For the purpose of computing the Completion Date or Extended Completion Date, the Vendor hereby agrees that in the event of the following situations, the time in excess of the time stated below shall be excluded from the computation of the Completion Date or Extended Completion Date, free of interest :-
  - (a) the Existing Chargee failing to deliver the original issue document of title, the duplicate charge, a registrable discharge of charge and all other relevant documents necessary for the purpose of effecting the registration of the transfer and charge documents within

fourteen (14) days from the date of receipt of the cheque for the redemption sum by the Vendor's Solicitors or in the event that the redemption sum is made by way of Real-Time Electronic Transfer of Funds and Securities System (RENTAS) or E-Payment credit directly to the Existing Chargee for the redemption of the said Property, for the purposes of the determining the date of receipt by the Vendor's Solicitors, it shall commence from the date the Vendor(s)' Solicitors' receipt of the written notification from the Purchaser's Financier's Solicitors that such fund has been remitted to the Existing Chargee or upon receipt of the actual funds remitted from the Purchaser's Financier, whichever shall be later.

- (b) the Vendor failing to deliver to the Purchaser's Financier's Solicitors the Existing Chargee's redemption statement and letter of undertaking to refund in the event that the discharge of Charge and/or the MOT cannot be registered for any reason whatsoever within fourteen (14) days from the date of receipt of the written request for the same by the Purchaser's Solicitor or Purchaser's Financier to the Vendor;
- (c) the Vendor failing to give the Purchaser's Solicitors or Purchaser's Financier's Solicitors the certified true copy of the current year quit rent and assessment receipts and other relevant documents for the purpose of release of the Loan or to effect the registration of the transfer and charge documents within fourteen (14) days from the date of receipt of such request for the same by the Purchaser's Solicitor or Purchaser's Financier to the Vendor's Solicitors; and
- (d) For avoidance of doubt, it is further agreed that in the event of any request for two (2) or more documents / undertaking are made concurrently in one request to the Vendor or the Vendor's Solicitors, then it shall be deemed as an overlapping request and only the longer period of delay exceeding the said fourteen (14) days shall be taken into account and shall be deducted from the calculation of the Completion Date and the Extended Completion Date.

### **2.4.3 Conditions precedent**

The parties hereto hereby expressly agreed that this Agreement shall be conditional upon the Purchaser(s) or the Purchaser(s)' Solicitors receiving: -

- (a) In the event this transaction requires the shareholders' approval of parent Company of the Vendor in respect of the disposal of the Property to the Purchaser, a copy of the extraction of the minutes shall be extended to the Purchaser's Solicitors. (hereinafter referred to as "the Conditions Precedent").
- (b) The date on which the Conditions Precedent have been satisfied or waived by the Purchaser(s) or such other date as the parties may from time to time agree shall be referred to as "the Unconditional Date".
- (c) In the event the Conditions Precedent is not fulfilled within six (6) months or such extended time as the parties may agree, the Purchaser(s) shall be entitled to terminate this Agreement and in such an event the Deposit shall be refunded to the Purchaser(s) upon demand without any interest or compensation whatsoever within seven (7) days from the date of termination.

#### **2.4.4 Delivery of Vacant Possession**

- i) The Vendor hereby covenants and agrees that the said Property is sold to the Purchaser on an “as-is-where-is” basis with vacant possession thereof.
- ii) Upon receipt by the Vendor’s Solicitors of the full payment of the Balance Purchase Price, the Late Payment Interest (if any) and the apportionment of outgoings or in the event that the Balance Purchase Price is made by way of Real-Time Electronic Transfer of Funds and Securities System (RENTAS) or E-Payment credit directly to the Vendor’s Solicitors for the purposes of the determining the date of receipt by the Vendor’s Solicitors, it shall commence from the date the Vendor(s)’ Solicitors’ receipt of the written notification from the Purchaser’s Financier’s Solicitors that such fund has been remitted to the Vendor’s Solicitors. or upon receipt of the actual funds remitted from the Purchaser’s Financier, whichever shall be later, the Vendor shall within three (3) working days deliver vacant possession of the said Property on an “as-is-where-is” basis to the Purchaser failing which the Vendor shall, without prejudice to any other rights of the Purchaser under this Agreement and at law, be liable to pay to the Purchaser liquidated damages calculated from day to day at the rate of eight per centum (8%) per annum of the Purchase Price from the expiry date of the delivery of vacant possession until the date the Purchaser takes vacant possession of the said Property.
- iii) The said Property have been inspected by the Purchaser prior to the signing of the SPA and the Purchaser are satisfied with the state and condition of the said Property and the Purchaser shall take delivery of vacant possession of the said Property on “as-is-where-is” basis.
- iv) Upon delivery of vacant possession of the said Property to the Purchaser, the risks in respect of the said Property shall then and there pass to the Purchaser.
- v) For the purpose of this SPA, vacant possession of the Property shall be deemed duly delivered upon the Purchaser or the Purchaser’s Solicitors receipt of the keys which give access to the said Property. The Purchaser’s Solicitors shall only be authorised to release the keys of the said Property to the Purchaser subject to full settlement of Purchase Price, Late Payment Interest (if any) and the apportionment for outgoings.

#### **2.4.5 Termination of Agreement / Non-Registration of Transfer**

- i) In the event that the Transfer cannot be registered for any reason whatsoever, not occasioned by any act default willful omission or blameworthy conduct on the part of the Vendor, the Purchaser, the Purchaser’s Financier and/or their respective solicitors or defect which cannot be rectified by the Vendor and/or the Purchaser and both the parties hereto have within a reasonable time done or caused to be done all acts and things and have exhausted all attempts to rectify the same , either of the party hereto shall be entitled by giving seven (7) days’ notice in writing to the other party hereto to terminate the SPA whereupon:-
  - (a) the Vendor shall refund to the Purchaser the Deposit and all other monies paid by the Purchaser and/or the Purchaser’s Financier, as the case may be, within fourteen (14) days from the date of the Vendor’s Solicitors receipt of the original written demand made by the Purchaser’s Solicitors confirming termination of the Agreement due to non-registration of transfer or technical errors which cannot be rectified after asserted reasonable effort subject to the Purchaser having complied with 2.4.4 (b) below, failing which interest at the rate of eight per centum (8%) per annum calculated on a day to day basis shall be paid by the Vendor to the Purchaser on such sum outstanding from the expiry of the aforementioned fourteen (14) days.

(b) against the refund as aforesaid, the Purchaser shall:-

- (i) redeliver or cause to be redelivered to the Vendor all Documents, original Title and the Transfer, if the same has been delivered to the Purchaser or the Financier's Solicitors intact but subject that if the Transfer has already been stamped, the Purchaser shall be entitled to forward the Transfer to the relevant Stamp Office for a refund of the stamp duty paid thereon and thereafter to deliver the Transfer to the Vendor upon returned of the same by the Stamp Office;
- (ii) the Purchaser shall at its own cost and expense withdraw the Private Caveat or other encumbrances lodged by or attributable to the Purchaser and/or the Financier within seven (7) days and forward evidence of the withdrawal of the caveat to the Vendor's Solicitors failing which the Purchaser shall compensate the Vendor for all losses and/or damage arising therefrom;
- (iii) re-deliver or caused to be re-delivered to the Vendor vacant possession of the Property, if the same has been delivered by the Vendor to the Purchaser, prior to the date of expiry of the Completion Date and/or the Extended Complete Date, as the case may be; and
- (iv) cause any renovation works done on the said Property (if any) to be removed and reinstate the said Property in the state and condition as the Purchaser has received it unless the Vendor has explicitly agree to take the Property as it is and in such event there shall be no reimbursement claim whatsoever from the Purchaser against the Vendor for the renovation works done on the said Property failing which the Vendor shall deduct from the monies paid by the Purchaser pursuant to this Agreement, all the costs and expenses reasonably incurred for making good and/or to reinstate the said Property to its original state and condition (if necessary).

thereafter this SPA shall cease to be of any further effect but without prejudice to any right which either party hereto may be entitled to against the other party hereto in respect of any antecedent breach of this SPA.

- ii) In the event that the relevant authorities require any of the parties, the Vendor's Solicitors and/or Purchaser's Solicitors to do any act, rectify, execute, initial and/or amend any documents and/or instrument due to any technical errors or mistakes therein, the parties, the Vendor's Solicitors and the Purchaser's Solicitors hereto hereby agree that they shall attend to such act and effect such rectification execution, initialing and/or amendment within seven (7) working days from the receipt of such notice failing which if the delay is attributable to the Vendor or the Vendor's Solicitors, the Completion Date or the Extended Completion Date shall be extended to the number of days of delay accordingly.

#### **2.4.6 Default by Purchaser**

In the event the Purchaser (through no fault of the Vendor) fails to pay the Balance Purchase Price on or before the Extended Completion Date the Vendor may terminate this Agreement by a notice in writing and the following consequences shall ensue:-

- i) the Deposit of the Purchase Price hereof shall be forfeited by the Vendor as liquidated damages for breach of contract and within fourteen (14) days from the Purchaser's compliance of the following, the Vendor shall refund the balance thereby to the Purchaser failing which the Vendor shall pay interest at the rate of eight per centum (8%) per annum :-

- (a) the Purchaser shall return to the Vendor all documents forwarded by the Vendor to the Purchaser's Solicitors or the Financier's Solicitors intact ;
- (b) the Purchaser shall at its own cost and expense withdraw the private caveat lodged (if any) or other encumbrances lodged by or attributable to the Purchaser and/or the Financier failing which the Purchaser shall compensate the Vendor for all losses and/or damage arising therefrom; and
- (c) if vacant possession of the said Property is given to the Purchaser prior to the payment of the Balance Purchase Price, the Purchaser shall forthwith re-deliver vacant possession of the said Property to the Vendor.
- (d) cause any renovation works done on the said Property (if any) to be removed and reinstate the said Property in the state and condition as the Purchaser has received it unless the Vendor has explicitly agree to take the Property as it is and in such event there shall be no reimbursement claim whatsoever from the Purchaser against the Vendor for the renovation works done on the said Property failing which the Vendor shall deduct from the monies paid by the Purchaser pursuant to this SPA, all the costs and expenses reasonably incurred for making good and/or to reinstate the said Property to its original state and condition (if necessary).

Thereafter, this SPA shall cease to be of any force or effect and the Vendor shall be entitled to deal with the said Property without recourse to the Purchaser.

#### **2.4.7 Default by Vendor**

In the event the Vendor refuses to complete the sale herein , the Purchaser may either:-

- i) sue for specific performance of this SPA; OR
- ii) by a notice in writing to the Vendor to terminate this SPA and the Vendor shall within fourteen (14) days from the Purchaser's compliance of the following, refund to the Purchaser free of interest all sums of money received by the Vendor towards the account of the Purchase Price and shall in addition thereto pay the Purchaser a sum equivalent to the Deposit of the Purchase Price as agreed liquidated damages for breach of contract :-
  - (a) the Purchaser shall return to the Vendor all documents forwarded by the Vendor to the Purchaser's Solicitors or the Financier's Solicitors intact ;
  - (b) the Purchaser shall at its own cost and expense withdraw the private caveat or other encumbrances lodged by the Purchaser lodged by or attributable to the Purchaser and/or the Financier failing which the Purchaser shall compensate the Vendor for all losses and/or damage arising therefrom;
  - (c) re-deliver vacant possession of the said Property if vacant possession of the said Property is given to the Purchaser prior to the payment of the Balance Purchase Price;
  - (d) cause any renovation works done on the said Property (if any) to be removed and reinstate the said Property in the state and condition as the Purchaser has received it unless the Vendor has explicitly agree to take the Property as it is and in such event there shall be no reimbursement claim whatsoever from the Purchaser against the Vendor for the renovation works done on the said Property failing which the Vendor shall deduct from the monies paid by the Purchaser pursuant to this SPA, all the costs

and expenses reasonably incurred for making good and/or to reinstate the said Property to its original state and condition (if necessary).

Thereafter, this SPA shall cease to be of any force or effect and the Vendor shall be entitled to deal with the said Property without recourse to the Purchaser.

### 3. LIABILITIES TO BE ASSUMED

There are no liabilities to be assumed by the Purchaser arising from the Proposed Disposal.

### 4. COST OF INVESTMENT AND EXPECTED GAINS ON PROPOSED DISPOSAL

The original cost and date of investment, and the latest audited net book value of the Property based on the latest audited consolidated financial statements of HHH as at 31 December 2013 are as follows:

	<b>Audited net book value as at 31 December 2013 (RM'000)</b>	<b>Original cost of investment (RM'000)</b>	<b>Date of investment</b>
Leasehold land and buildings:			
- At cost	3,423	3,980	9 March 2007
- Improvements/ renovations	1,027	1,167	1 January 2008
<b>Total</b>	<b>4,450</b>	<b>5,147</b>	

The Proposed Disposal is expected to result in a gain on disposal of approximately RM6.82 million after taking into consideration of the audited net book value of the Property, current year depreciation charged, estimated real estate commission, real property gain tax and professional fees.

### 5. UTILISATION OF PROCEEDS

The proceeds from the Proposed Disposal is expected to be utilised within 12 months from the date of receipt in the following manner:-

	<b>Proposed Amount RM'000</b>	<b>Note</b>	<b>Estimated timeframe for the proposed utilisation of proceeds</b>
Repayment of bank borrowings	6,620	(1)	Within 6 months
Repayment of trade and other creditors	3,260		Within 12 months
Renovation of new premises	1,500	(2)	Within 6 months
Estimate expenses in relation to the Proposed Disposal	380	(3)	Within 6 months
<b>Total</b>	<b>11,760</b>		



Notes :-

1. *The HHH Group intends to utilise RM6.62 million from the proceeds of the Proposed Disposal to fully repay several bank borrowings, the details of which are as follows:*
  - (i) *A term loan with Alliance Bank Malaysia Berhad which was utilised for the purchase of the Property. As at 12 December 2014, approximately RM1.90 million remained outstanding;*
  - (ii) *An overdraft facility with Alliance Bank Malaysia Berhad which was utilised for working capital purposes. As at 12 December 2014, approximately RM2.79 million remained outstanding; and*
  - (iii) *An overdraft facility with UOB Bank (Malaysia) Berhad which was utilised for working capital purposes. As at 12 December 2014, approximately RM1.93 million remained outstanding.*

*Any variation to the actual amount allocated for the repayment of bank borrowings will be adjusted to/from the proceeds made available for the repayment of trade and other creditors.*
2. *Renovation of the new corporate office to be acquired at an on-going development project known as "Sunway Nexis Soho" as first announced by the Company on 10 May 2013.*
3. *The estimated expenses consist of professional fees, property agent commission, real property gains tax payable and fees payable to the relevant authorities. Any variation in the actual amount of the expenses for the Proposed Disposal will be adjusted proportionately to/from the proceeds made available for the repayment of trade and other creditors.*

## **6. RATIONALE FOR THE PROPOSED DISPOSAL**

With the new corporate office to be acquired expected to be completed by the first quarter of 2015, the HHH Group will have a surplus of office space and the Proposed Disposal represents an opportunity for the Group to realise the potential gains arising from the investment in the Property.

## **7. RISK FACTOR**

The SPA is subject to the compliance of the conditions precedents within the time stipulated in the SPA and fulfillment of the Purchaser's and HHC's obligations pursuant to the terms and conditions of the SPA. The Company endeavors to ensure full compliance in relation to the fulfillment of its obligations under the SPA.

## **8. EFFECTS OF THE PROPOSED DISPOSAL**

### **8.1 Share capital and substantial shareholders' shareholding**

The Proposed Disposal will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of HHH.

## 8.2 Net assets (“NA”), NA per share and gearing

For illustrative purposes, the proforma effects of the Proposed Disposal on the NA and gearing position of HHH based on its audited consolidated balance sheet as at 31 December 2013 are as follows:-

	<b>Audited as at 31 December 2013 RM'000</b>	<b>After the Proposed Disposal RM'000</b>
Share Capital	33,330	33,330
Share Premium	7,763	7,763
Merge Deficit	(9,535)	(9,535)
Retained Profits	16,064	22,880
Shareholders' fund / NA	47,622	54,438
Number of ordinary shares in issue	333,301,330	333,301,330
NA per ordinary share (RM)	0.14	0.16
Borrowing (interest bearing)	24,435	17,815
Gearing ratio (times)	0.51	0.33

## 8.3 Earnings and earnings per share

Barring any unforeseen circumstances and based on the assumption that the Proposed Disposal will be completed by the first quarter of 2015, the Proposed Disposal is expected to result in an estimated gain on disposal of approximately RM6.84 million after taking into consideration the audited net book value of the Property, current year depreciation charged, estimated real estate commission, real property gains tax and professional fees. This would translate into additional earnings per share of 2.05 sen to the Hiap Huat Group for the financial year ending 31 December 2015.

For illustration purposes only, based on the audited consolidated financial statements of the Hiap Huat Group for the financial year ended 31 December 2013, the pro forma effects of the Proposed Disposal on the consolidated profit and earnings per share of the Hiap Huat Group, assuming that the Proposed Disposal had been effect at the end of the said financial year are as follows:

	<b>Audited as at 31 December 2013</b>	<b>Gain on Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net profit (RM)	2,529,885	6,816,258	9,346,143
No. of shares in issue	333,301,330	333,301,330	333,301,330
EPS (sen)	0.76	2.05	2.80

## 9. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Disposal pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 24.69%.

**10. APPROVALS REQUIRED**

The Proposed Disposal is not subject to the approval of the shareholders of the Company. However, the transfer of the Property from the HHC to the Purchaser may subject to the approval or consent from the relevant authorities, if necessary.

The Proposed Disposal is not conditional upon any other corporate proposals undertaken or to be undertaken by HHH.

**11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the directors and/or major shareholders of HHH and/or persons connected to the directors and/or major shareholders of HHH have any interests, direct or indirect, in the Proposed Disposal.

**12. STATEMENT BY THE DIRECTORS**

The Board of Directors, having considered all aspects of the Proposed Disposal, is of the opinion that the Proposed Disposal is fair and reasonable and is in the best interest of HHH.

**13. ESTIMATED TIME FRAME FOR THE COMPLETION**

The Proposed Disposal is expected to be completed by first quarter of 2015 from the date of the SPA.

**14. DOCUMENTS FOR INSPECTION**

The SPA is available for inspection at the registered office of the Company at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur between 8.30 a.m. and 5.30 p.m. from Monday to Friday (except public holidays) for a period of three (3) month from the date of this announcement.

This announcement is dated 22 December 2014.